

INTERCOLLEGIATE BROADCASTING SYSTEM  
Memorandum

To: All Station Manager, Regional Directors  
Executive Committee  
From: George McKelvey  
Subject: Apportionment of Funds

Date: Dec. 13, 1950  
Dept: Business  
File: B 13.0

Periodically it is this department's desire to inform stations and all executives of the apportionment made of IBS funds, limited though they are. To this end the following report is directed.

Cost of Operations:

The following statement of Cost of Operations is taken from the Business Manager's report for the fiscal year July 1, 1949 to June 30, 1950. For purposes of comparison the 1950/51 budget has been superimposed, its figures appearing in brackets following the 1949/50 actual expenses. The traditional form of the statement has been altered somewhat for clarity in showing two sets of figures.

|                                      | 1949/50<br>Actual | 1950/51<br>Budget |
|--------------------------------------|-------------------|-------------------|
| Dues Income                          | \$2,505.50        | (\$2,890.00)      |
| Advertising Income, <u>Bulletin</u>  | 155.84            | ( 750.00)         |
| Subscription Income, <u>Bulletin</u> | 4.77              | ( 385.00)         |
| GROSS INCOME                         | \$2,666.11        | (\$4,025.00)      |
| Operating Expenses                   |                   |                   |
| Telephone and Telegraph              | \$312.09          | (\$201.00)        |
| Office Supplies                      | 215.72            | ( 243.00)         |
| Postage                              | 439.78            | ( 510.00)         |
| Printing                             | 867.96            | (1410.00)         |
| Miscellaneous                        | 133.88            | ( 187.12)         |
| Travel                               | 721.78            | ( 100.00)         |
| Stenographic                         | 288.00            | ( 285.00)         |
| <u>Bulletin</u> Subs. Comms.         | 1.00              | ( -0- )           |
| Legal Fees                           | -0-               | ( 60.00)          |
| Unassigned by Function               | -0-               | ( 178.00)         |
|                                      | 2,980.21          | ((3,174.12)       |
|                                      | -314.00           | 850.88            |
| General Expenses                     |                   |                   |
| Misc. Losses                         | \$ 2.00           | ( -0- )           |
| Dues Losses                          | 317.78            | (\$217.00)        |
|                                      | 319.78            | (217.00)          |
| NET LOSS FROM OPERATIONS, 1949/50    | -                 | \$633.88          |
| SURPLUS, 1950/51, BUDGETED           |                   | (\$633.88)        |

Thus it can be seen that 1949/50 operations yielded a deficit that has been included in the 1950/51 budget and should thus be removed from the books at the close of the current fiscal year.

A word of caution is here appropriate. The high hopes for the Bulletin income have not thus far materialized. Hence it is very probably that the expense budget will have to undergo revision about the first of January in order to assure retirement of last year's deficit.



BALANCE SHEET:

Refer to form B 197, Attached.

As has been pointed out, the 1949/50 deficit has been budgeted in 1950/51.

The current year is the first that a budget has been in operation and while the shoe often pinches the aim is the proper one of operating within a balanced budget, thus allowing no similar deficit in the future.

A matter that causes some concern to station executives is that of the two items of indebtedness: Notes Payable, and Accounts Payable, Miscellaneous. The first includes long-term loans by two friends of the System, while the latter includes salaries payable from the period of operation at the Fifth Avenue office in New York City. The latter is also a long-range indebtedness. The System plans, of course, to remove this indebtedness, but not at the expense of current operations. Certain goals in advertising revenue in the Bulletin and from commissions on radio sales have been set, beyond which a percentage of such income will be devoted to retiring these obligations.

GENERAL

Finally, it is well to note the type of expenditures listed in the Cost of Operations statement. It will be seen that with the exception of printing the Bulletin these expenditures are all directed toward the fundamental office operation and the publication of reports, scripts, manuals, the Technical Data Book, etc. Included last year for the first time was an item of stenographic expense. This became essential on a sparing and part-time basis to allow the executives to get their work done. Their labors are in all cases purely voluntary, hence it was necessary to relieve them of as much of the stenographic drudgery as was possible.

BUDGET BREAKDOWN BY DEPARTMENTS:

|                            |               |
|----------------------------|---------------|
| Operations (Borst)         | \$400.00      |
| Washington (Abraham)       | 255.00        |
| Public Relations (Roberts) | 39.50         |
| Regions (Directors)        | 280.00        |
| Program (Hansen)           | 175.00        |
| Business (McKelvey)        | 74.62         |
| Technical (Barlow)         | 78.00         |
| Station Relations (Wyllie) | 73.00         |
| <u>Bulletin</u> (Burig)    | 1533.00       |
| Sales (Eyman)              | 40.00         |
| Unassigned by Departments  | <u>228.00</u> |
| Total budgeted expenses    | 3,174.12      |
| 1949/50 deficit            | 633.88        |
| Budgeted dues loss         | <u>217.00</u> |
| Total                      | \$4,025.00    |

(Signed)



# INTERCOLLEGIATE BROADCASTING SYSTEM

## Balance Sheet

30 June 1950

### ASSETS:

|                  |                   |
|------------------|-------------------|
| Cash             | \$ 158.75         |
| Dues Receivable  | 1,232.15          |
| Advt. Receivable | 37.34             |
| Stockpile        | 375.57            |
| Office Equipment | 858.01            |
| Prepaid Postage  | 8.00              |
| TOTAL ASSETS     | <u>\$2,669.82</u> |

NET DEFICIT, 6/30/50 \$4,565.78

TOTAL ASSETS & DEFICIT \$7,235.60

### LIABILITIES:

|                         |              |
|-------------------------|--------------|
| Vouchers Payable        | \$ 565.00    |
| Notes Payable           | 2,000.00     |
| Accounts Payable, Misc. | 4,547.12     |
| Bulletin Subscriptions  | 48.23        |
| Prepaid Dues            | <u>75.25</u> |

TOTAL LIABILITIES \$7,235.60

### NOTES:

- 1) For statement of previous period refer to form B 191.
- 2) For statement of income, expenses, and surplus see form B 198.
- 3) Accounts Payable, Misc. and Notes Payable are long term liabilities including salaries payable through 1947.

B197-8/31/50

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Notary Public in and for the State of Texas.

My commission expires this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Witness my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Notary Public in and for the State of Texas.

My commission expires this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

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